

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS
(S'000)

Reference Page	FS Notes Reference		Current Period		Prior Period		Opening Prior Period Restated	
			Total	Vested in Trust	Total	Vested in Trust	Total	Vested in Trust
			(01)	(02)	(03)	(04)	(05)	(06)
		Cash and Cash Equivalents	01	39,241		33,094		
		Investment Income due and accrued	02	9		16		
		Assets held for sale	50			0		
		Investments:						
40.12		Short Term Investments	04	16		16		
40.22		Bonds and Debentures	05	48,515		31,658		
40.32		Mortgage Loans	06			0		
40.42		Preferred Shares	07	215,814		217,063		
40.52		Common Shares	08	102,031		93,149		
40.70		Investment Properties	09	24,269		19,802		
40.80		Other Loans and Invested Assets	10	29,440		25,902		
40.07		Total Investments (lines 04 to 10)	19	420,085		387,590		0
		Receivables:						
50.20		Unaffiliated Agents and Brokers	20			0		
		Policyholders	21	6,368		6,026		
		Instalment Premiums	22	23,182		19,822		
		Other Insurers	23			0		
		"Facility Association" and the "P.R.R."	24	367		482		
50.40		Subsidiaries, Associates & Joint Ventures	25	1,327		1,168		
50.20		Other Receivables	27			0		
		Recoverable from Reinsurers:						
60.10		Unearned Premiums	30			0		
60.30		Unpaid Claims and Adjustment Expenses	31	480		975		
		Other Recoverables on Unpaid Claims	37			0		
50.32		Interests in Subsidiaries, Associates & Joint Ventures	40	0		0		
40.70		Property and Equipment	41	55		70		
		Deferred Policy Acquisition Expenses	43	15,577		13,162		
		Current Tax Assets	52	7,785		0		
		Deferred Tax Assets	44	5,428		3,792		
		Goodwill	54			0		
		Intangible Assets	56			0		
		Defined Benefit Pension Plan	58			0		
		Other Assets	88	742		312		
		TOTAL ASSETS	89	520,646		466,509		0

CONSOLIDATED FINANCIAL STATEMENTS
LIABILITIES, EQUITY, HEAD OFFICE ACCOUNT, RESERVES & AOCI
(\$'000)

Reference Page	FS Notes Reference		Current Period	Prior Period	Opening Prior Period Restated
			(01)	(03)	(05)
		LIABILITIES			
		Overdrafts 01		0	
		Borrowed Money and Accrued Interest 02		0	
		Payables:			
50.20		Agents and Brokers 03		0	
		Policyholders 04		0	
50.30		Other Insurers 05		0	
50.40		Subsidiaries, Associates & Joint Ventures/Affiliates 06	232	480	
		Expenses due and accrued 07	3,632	3,020	
		Other Taxes due and accrued 09	3,505	2,819	
		Policyholder Dividends and Rating Adjustments 10		0	
40.70		Encumbrances on Real Estate 11		0	
60.10		Unearned Premiums 12	301,617	254,809	
60.30		Unpaid Claims and Adjustment Expenses 13	30,707	24,832	
80.10		Unearned Commissions 14	0	0	
		Ceded Deferred Premium Taxes 20			
		Ceded Deferred Insurance Operations Expenses 34			
		Premium Deficiency 15		0	
		Liabilities held for sale 17		0	
		Current Tax Liabilities 18		2,993	
		Deferred Tax Liabilities 21		0	
		Self-Insured Retention (SIR) portion of unpaid claims 22		0	
		Defined Benefit Pension Plan 23		0	
		Employment Benefits (not including amounts on line 23 above) 24		0	
		Subordinated Debt 25		0	
		Preferred Shares - Debt 26		0	
		Provisions and Other Liabilities 28		0	
		Total Liabilities 29	339,693	288,953	0
		CANADIAN INSURERS ONLY:			
		EQUITY			
		Shares issued and paid			
		Common 41	11,500	11,500	
		Preferred 33			
		Contributed Surplus 42		0	
		(Specify) 43		0	
20.54		Retained Earnings 44	183,802	153,847	
20.45		Reserves 45	0	0	
20.42		Accumulated Other Comprehensive Income (Loss) 47	(14,349)	12,209	
		Total Policyholders/Shareholders' Equity 59	180,953	177,556	0
		Non-controlling Interests 48		0	
		Total Equity 49	180,953	177,556	0
		TOTAL LIABILITIES AND EQUITY 89	520,646	466,509	0
		FOREIGN INSURERS ONLY:			
		HEAD OFFICE ACCOUNT, RESERVES & AOCI			
20.45		Head Office Account 51			
		(Specify) 53			
20.45		Reserves 55			
20.42		Accumulated Other Comprehensive Income (Loss) 56			
		Total Head Office Account, Reserves & AOCI 69			
		TOTAL LIABILITIES, HEAD OFFICE ACCOUNT, RESERVES & AOCI 79			

CONSOLIDATED FINANCIAL STATEMENTS
STATEMENT OF INCOME
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)	
		UNDERWRITING OPERATIONS			
		Premiums Written			
		Direct	01	75,324	69,616
70.21		Reinsurance Assumed	02	0	0
70.21		Reinsurance Ceded	03	16,972	13,422
60.20		Net Premiums Written	04	58,352	56,194
		Decrease (increase) in Net Unearned Premiums	05	(19,123)	(20,163)
60.20		Net Premiums Earned	06	39,229	36,031
		Service Charges	07		0
		Other	08		0
		Total Underwriting Revenue	09	39,229	36,031
		Gross Claims and Adjustment Expenses	62	23,999	19,486
		Reinsurers' share of claims and adjustment expenses	64	2,313	1,789
60.20		Net Claims and Adjustment Expenses	10	21,686	17,697
		Acquisition Expenses			
80.10		Gross Commissions	66	(33)	(36)
80.10		Ceded Commissions	68	0	0
		Taxes	12	2,038	1,740
80.20		Other	14	823	649
80.20		General Expenses	16	3,652	3,239
		Total Claims and Expenses	19	28,166	23,289
		Premium Deficiency Adjustments	20		0
		Underwriting Income (Loss)	29	11,063	12,742
40.07		INVESTMENT OPERATIONS			
		Income	32	8,430	6,538
		Realized Gains (Losses)	33	1,113	4,546
		Expenses	34	609	549
		Net Investment Income	39	8,934	10,535
		OTHER REVENUE AND EXPENSES			
		Income (Loss) from Ancillary Operations (net of Expenses of S'000)	40		0
		Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventures	41		0
		Gains (losses) from fluctuations in Foreign Exchange Rates	42	343	78
		Other Revenues	44	3,254	2,956
		Finance costs	45		0
		Other Expenses	46	2,831	2,953
		Net Income (Loss) before Income Taxes	49	20,763	23,358
		INCOME TAXES			
		Current	50	3,389	4,088
		Deferred	51		0
		Total Income Taxes	59	3,389	4,088
		NET INCOME (LOSS) FOR THE PERIOD	89	17,374	19,270
		ATTRIBUTABLE TO:			
		Non-controlling Interests	80		0
		Equity Holders	82	17,374	19,270

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME (LOSS)
and
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
(S'000)

Reference Page	FS Notes Reference		Current Period (01)	Prior Period (03)
		Comprehensive Income (Loss)		
20.30		Net Income	01 17,374	19,270
		Other Comprehensive Income (Loss):		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		Change in Unrealized Gains and Losses:		
		- Loans	02 0	0
		- Bonds and Debentures	03 (16)	56
		- Equities	04 (19,917)	8,727
		Reclassification of (Gains) Losses to Net Income	05 (829)	(3,389)
		Derivatives Designated as Cash Flow Hedges		
		Change in Unrealized Gains and Losses	06 0	0
		Reclassification of (Gains) Losses to Net Income	07 0	0
		Foreign Currency Translation		
		Change in Unrealized Gains and Losses	08 (256)	(72)
		Impact of Hedging	09 0	0
		Other	18 0	0
		Subtotal of items that may be reclassified subsequently to Net Income	19 (21,018)	5,322
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	31 0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	11 0	0
		Remeasurements of Defined Benefit Plans	34 0	0
		Other	12 0	0
		Subtotal of items that will not be reclassified subsequently to Net Income	29 0	0
		Total Other Comprehensive Income (Loss)	21 (21,018)	5,322
		Total Comprehensive Income (Loss)	39 (3,644)	24,592
		Attributable to:		
		Non-controlling Interests	60 0	0
		Equity Holders	62 (3,644)	24,592
		Accumulated Other Comprehensive Income (Loss)		
		Accumulated Gains (Losses) on:		
		Items that may be reclassified subsequently to Net Income:		
		Available for Sale:		
		- Loans	42 0	0
		- Bonds and Debentures	43 44	320
		- Equities	44 (13,496)	12,273
		Derivatives Designated as Cash Flow Hedges	45 0	0
		Foreign Currency (net of hedging activities)	46 (897)	(384)
		Other	68 0	0
		Subtotal of items that may be reclassified subsequently to Net Income	69 (14,349)	12,209
		Items that will not be reclassified subsequently to Net Income:		
		Revaluation Surplus	71 0	0
		Share of Other Comprehensive Income of Subsidiaries, Associates & Joint Ventures	51 0	0
		Remeasurements of Defined Benefit Plans	74 0	0
		Other	49 0	0
		Subtotal of items that will not be reclassified subsequently to Net Income	79 0	0
20.20		Balance at end of Period	59 (14,349)	12,209

CONSOLIDATED

REQUIRED AND MCT (BAAT) RATIO
(\$'000)

		Current Period (01)
Capital Available:		
Capital available (from page 30.62 - capital available)	01	180,953
Phase-in of capital available	03	2,759
Total Capital Available	09	178,194
Assets Available:		
Net Assets Available (from page 30.92 - net assets available)	11	
Phase-in of net assets available	13	
Total Net Assets Available	19	
Capital (Margin) Required at Target:		
Insurance Risk:		
Premium liabilities	20	25,301
Unpaid claims	22	3,119
Catastrophes	24	0
Margin required for reinsurance ceded to unregistered insurers	26	0
Subtotal: Insurance risk margin	29	28,420
Market Risk:		
Interest rate risk	30	2,739
Foreign exchange risk	32	2,049
Equity risk	34	30,609
Real estate risk	36	4,854
Other market risk exposures	38	6
Subtotal: Market risk margin	39	40,257
Credit Risk:		
Counterparty default risk for balance sheet assets	40	15,357
Counterparty default risk for off-balance sheet exposures	42	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44	0
Subtotal: Credit risk margin	49	15,357
Operational risk margin	50	11,885
Less: Diversification credit	52	9,999
Total Capital (Margin) Required at Target	59	85,920
Minimum Capital (Margin) Required (line 59 / 1.5)	60	57,280
Phase-in of Capital (Margin) Required	62	(3,599)
Total Minimum Capital (Margin) Required	69	60,879
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	117,315
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	292.70%